

**“Know-Your-Pawner” Policy
(Appendix to Subsection 4301P.3)**

- A pawner who transacts with a pawnshop for the first time shall be required to present the original and submit a clear copy of at least one (1) valid photo-bearing identification document (ID) issued by an official authority.
- The valid ID should indicate the pawner’s residential address, otherwise, he/she is also required to present the original and submit a clear copy of a certification from the barangay where the pawner resides or a billing statement that indicates his/her residential address.
- Valid IDs include the following:
 - Passport, including those issued by foreign governments
 - Driver’s License
 - Professional Regulation Commission (PRC) ID
 - National Bureau of Investigation (NBI) Clearance
 - Police Clearance
 - Postal ID
 - Voter’s ID
 - Barangay Certification
 - Government Service Insurance System (GSIS) e-Card
 - Social Security System (SSS) Card
 - Senior Citizen Card
 - Overseas Workers Welfare Administration (OWWA) ID
 - OFW ID
 - Seaman’s Book
 - Alien Certification of Registration/Immigrant Certificate of Registration
 - Government Office and GOCC ID, e.g. Armed forces of the Philippines (AFP ID), Home Development Mutual Fund (HDMF ID)
 - Certification from the National Council for the Welfare of Disabled Persons (NCWDP)
 - Department of Social Welfare and Development (DSWD) Certification
 - Integrated Bar of the Philippines (IBP) ID
 - Company IDs issued by private entities or institutions registered with or supervised or regulated either by the Bangko Sentral ng Pilipinas, Securities and Exchange Commission or Insurance Commission
- The copy of the ID, barangay certificate or billing statement shall be kept by the pawnshop for convenience of the pawner who continues to transact with the pawnshop but said documents should be updated at least every three (3) years.

**ABSTRACT OF "SECTION 13 AND 14 OF PD 114"
(PAWNSHOP REGULATION ACT)
(Appendix to Subsection 4324P.1)**

Redemption of Pawn Items

- A pawner who fails to pay his obligation has ninety (90) days from maturity date to redeem the pawn by paying the principal and interest.

Disposition of Unredeemed Pawn Items

- Unredeemed pawn items shall be sold/disposed of only through public auction.
- Pawner shall be notified of the public auction on or before the expiration of the ninety (90)-day grace period through the mode of notification agreed upon by the pawner and the pawnshop as indicated at the back of the pawn ticket at the time the loan was granted.
- The notice to pawner shall contain the date, hour and place where the public auction shall be conducted.
- A pawnshop shall publish a notice of public auction in at least two newspapers circulated in the city or municipality where the pawnshop has its place of business six (6) days prior to the date of public auction. In remote areas where newspapers are neither published nor circulated, notice by newspaper publication shall be complied with by posting notices at the city or municipal hall and in two (2) other conspicuous public places where the pawnshop has its place of business.
- Pawner may participate in the said public auction.

**Quoted
Monthly
Interest
Rate**

2.99% 3.99% 4.99% 5.99% 6.99% 7.99% 8.99% 9.99%

Effective Interest Rate per Month

Loan Duration in Months

1 3.08% 4.16% 5.25% 6.37% 7.52% 8.68% 9.88% 11.10%

2 3.18% 4.34% 5.54% 6.81% 8.13% 9.51% 10.96% 12.48%

3 3.28% 4.53% 5.87% 7.30% 8.84% 10.51% 12.31% 14.27%

4 3.40% 4.75% 6.23% 7.88% 9.70% 11.74% 14.04% 16.64%

5 3.52% 4.98% 6.65% 8.55% 10.75% 13.31% 16.33% 19.96%

6 3.64% 5.25% 7.12% 9.35% 12.04% 15.35% 19.52% 24.94%

7 3.78% 5.54% 7.67% 10.32% 13.69% 18.13% 24.25% 33.22%

8 3.93% 5.86% 8.31% 11.50% 15.86% 22.15% 32.02% 49.75%

9 4.09% 6.23% 9.06% 13.00% 18.85% 28.44%

10 4.27% 6.64% 9.96% 14.94% 23.22% 39.75%

11 4.46% 7.11% 11.06% 17.56% 30.25%

12 4.66% 7.66% 12.44% 21.30% 43.36%

TRUTH AND TRANSPARENCY IN LENDING

Enhanced Implementation of the Truth in Lending Act (Republic Act 3765)

The State protects its citizens from a lack of awareness of the true cost of credit to the customer by assuring a full disclosure of such cost and other terms and conditions with a view of preventing the uninformed use of credit.

As such, a disclosure statement is a required attachment to the loan contract. It shall include, at a minimum, the following information:

- 1) Total amount to be financed
- 2) Finance Charges and all other charges incident to the loan
- 3) Net proceeds of the loan
- 4) Schedule of Payments
- 5) The percentage that the finance charge bears to the total amount to be financed expressed as an Effective Interest Rate (EIR)

IMPORTANT NOTICE

**The borrower has a right to demand a copy
of the disclosure statement**